



## Finance - Economics

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The course of stock prices in the last two days has indicated that the restriction of speculation for the rise need not produce important liquidation, for there has been very little pressure to sell, and prices have held remarkably well. Yesterday trading was light again, the turnover being less than half as large as transactions on the preceding Saturday, yet, in spite of the usual selling by those traders who prefer to close out their commitments over the week end, the market as a whole was decidedly strong. This strength was especially noticeable in the railway section, there being hardly an exception to the advance of these shares.

Dealings in railroad stocks have, in fact, been an outstanding feature of a market in which there were many features of more than passing interest. The average price of twenty representative issues reached a new high level for the year during the week, and the expansion of transactions was relatively much greater than the increase in trading in the industrials. Approximately 30 per cent of the total turnover last week was in rails, whereas the average for the year to date is only 10 per cent.

The rising tide of investment interest in the transportation stocks is probably to be accounted for by the unique position which they will occupy in the period of economic readjustment that is expected to follow the cessation of hostilities. Whatever ill fortune may befall the industrials the railroads' position is secure for a period of at least twenty-one months after the peace treaty has been signed. No matter what may happen to earnings the income of the railroad corporations is assured. And it is considered highly probable that by the time the guarantee period has elapsed any industrial crisis that may meanwhile have developed will have passed. Moreover, there is a very general feeling that whatever disposition may be made of the properties—whether they are returned to their owners or permanently held by the government—the security holders will get fair treatment.

## Money and Credit

The statement issued by the Clearing House Association yesterday showed an increase in loans and discounts of \$104,436,000 during the last week, while net deposits decreased \$40,350,000. The total of loans, discounts and investments was given as \$4,770,335,000. Excess reserves increased \$104,131,550. United States government deposits totaled \$474,381,000, compared with \$195,547,000 a week ago.

The Federal Reserve Bank of New York, in its report for the week ending October 26, showed a total of bills discounted and bought of \$722,733,142, against \$771,093,454 the week before.

**Bank Acceptances.**—The bank acceptance market yesterday was without feature, with rates unchanged.

**Spot delivery.**—Thirty days, 4 1/2% to 4 3/4%; Sixty days, 4 3/4% to 4 1/2%; Ninety days, 4 1/2% to 4 3/4%.

**Eligible member banks.**—4 1/4% to 4 3/4%; Ineligible member banks, 4 1/4% to 4 3/4%.

**Eligible non-member banks.**—4 1/4% to 4 3/4%; Ineligible non-member banks, 4 1/4% to 4 3/4%.

**Bank bills.**—5 1/4% to 5 3/4%; For delivery within thirty days, 5 1/4% to 5 3/4%.

**Discount Rates.**—The following table gives the current rates of the twelve Federal Reserve banks on commercial paper for all periods up to ninety days:

**Bank Clearings.**—Bank clearings yesterday in New York and other cities were:

**Exchanges.**—London, 49 1/2¢ unchanged; New York, 101 1/2¢ unchanged; Mexican dollars, 77 1/2¢ unchanged.

**Sub-Treasury.**—The banks gained \$1,000,000 from the Sub-Treasury yesterday.

**London Money Market.**—London, Oct. 26.—Money was firm at 3 per cent. Discount rates were:

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## Rapid Progress Is Reported on Great Indian Wheat Farm

Thousands of Acres Sown to Winter Plant; New Units Started

Reports received here by the bankers who are financing the project indicate that almost phenomenal progress is being made by the recently organized Montana Farming Corporation. This corporation was formed last spring for the purpose of developing wheat lands on Indian reservations in Montana and Wyoming.

Thomas D. Campbell came East from California last spring with an idea. He was called to government service in the food administration when the thought struck him that if he could get the United States government and the Crow Indian Nation together on the matter of using rich waste reservation lands for growing new food crops he might do more for his country. He suggested as much to Franklin K. Lane, Secretary of the Interior, and Mr. Lane agreed with him.

**Indians Approve**  
The result was that Frank M. Thackeray, who has been in the Bureau of Indian Affairs for more than thirty years, went out to the Little Big Horn, where he met the Indians and called the chiefs together for a powwow. He told them that this young man had made a bargain with the Great White Father in Washington. When the Indian had leased land along the river he had usually received 25 cents an acre, and from 6 to 12 cents for the uplands.

This pact was offered to the Indians and they agreed to it. The Indians thought of it as the thing and looked long at the young man. Then they said they would do it. Chief Plenty Cloud put his name down first. Then John Frost and Pretty Boy, Yellow Wolf and Ben Spotted Horse, One Star and James Carpenter, George Hogan and Russell White Bear, Jim Hill and Sids Down Spotted, Shosha Big Coos and Ned Little, Thomas Medicine Horse and Old Horn, each for his district made his mark.

Thereupon the corporation was organized, with Mr. Campbell, who has had considerable experience in farming on a large scale in the Northwest, as president and general manager. The directors are J. Pierpont Morgan, Charles H. Sabin, James A. Stillman, Charles H. Sabin, Charles D. Norton, and Maxwell Upson, of New York; J. S. Torrance, of San Francisco, and Frederick W. Stevens, of Ann Arbor, Mich.

**200,000 Acres Eventually**  
Under his contract with the government Mr. Campbell is ultimately to put under cultivation 200,000 acres of land on four Indian reservations, all in Montana, and the Wind River Reservation in Wyoming. The work of development is being done under the unit system, each unit having its own buildings, machinery and working forces. The entire mechanical equipment, etc., is of the latest model. No horses or mules are being used, and the several forces of mechanics employed to take care of the unit have been doing the work. All of the big tractors used are equipped with electric lights, so that if necessary to maintain the schedule of ploughing, two shifts can be put to work on the same piece of land. The experiments are being made with light oils, on the theory that they can be used instead of water, and thus eliminate the necessity of draining the roads and the danger of draining the water, which is customary during the late fall, when the engines are not working. Many of the small army of field workers employed are young men, and of these the government who are otherwise not called for military service.

The first tractor plough took the field on June 30, 1918. This was at Unit 1, which is located near Fort Custer, on the flats between the Big Horn and Little Big Horn rivers. About 6,200 acres on this unit have been ploughed, disked, harrowed and sowed to winter wheat. The wheat is up to 10 inches high, and the entire tract will be covered with the growing wheat before the end of this month. Several of the unit buildings, including the drill, are being delayed while water is bored for. Fencing of the unit is under way, and the government is aiding the company to procure the barbed wire necessary for the fifteen miles of fence.

Much rivalry has developed among the men engaged in seeding on this unit for the best drill. Two Minneapolis Y. M. C. A. boys seeded 135 acres in one day with one outfit of three drills and an engine. Mr. Campbell declares such an accomplishment is extraordinary. The reputation is not to be expected under ordinary conditions. Nevertheless, various crews have tried to exceed it. A cash prize has been offered to the successful crew.

**Little Lost Motion**  
Twelve miles south of this tract is Unit No. 2, comprising about 5,000 acres. Ploughing operations began here in September, but because of the lack of moisture, were suspended. When the machinery had all been moved to the place and the 5,000 acres will be fitted for fall sowing in 1919. The "time failure" of this particular piece of land is pointed to by the corporation managers as an illustration of what farming on a large scale and by improved methods means. Had this tract been taken by an individual farmer he would not have been able, when the apparent failure of moisture came, to shift his machinery quickly to another piece of land.

The Fort Smith Unit comprises about 5,000 acres of "dry lands" located on the upper side of the big irrigation ditch that taps the Big Horn River at Big Canyon, the entrance to the Big Horn Mountains. This is deemed suitable for spring sowing and is being ploughed this fall along with about 6,000 acres of irrigated land of which the company has obtained control under a sub-lease arrangement with the government.

**Follow High Security Prices**  
Prices have swung consistently upward in the Italian financial market this year, according to a report from Consul North Winship, stationed at Milan. The rise began in January and with the exception of a temporary respite in March continued reaching its highest level in July, which is the last month covered in the survey.

The highest increases occurred in navigation lines, automobile manufacturing companies, cotton mills, real estate companies, chemical and electrical works, hemp and linen companies, and food plants. The gains range from 12 per cent to 37 per cent. The inflation of the security prices has called forth a warning from financial observers, whom Consul Winship speaks of as follows:

"Expert financial writers have defined present financial activities as being exaggerated, feverish, and unwise, and as being likely to bring about losses and disappointments to capital and to create unnecessary disturbance in the market in the near future. The first half of this year closed with low prices for four companies alone, while the other half showed increases, some as high as 50 per cent, the most remarkable having occurred in the stocks of the Cotonificio Veneziano (Venetian Cotton Mills), amounting to 104 per cent."

The following increases beginning with February and ending with July are noted: February, 6 per cent; March, 4 per cent; April, 8 per cent; May, 10 per cent; June, 15 per cent; and July, 30 per cent.

The slight decline in March Mr. Winship says, was due to the pessimistic feeling that then prevailed in commercial circles. "Such conditions," he adds, "prevailed for only a few weeks; in fact, in April, 1918, prices exceeded February quotations and in May, 1918, were still higher. The subsequent months of June and July, 1918, were characterized by a very brisk demand and exceptionally high prices."

## Federal Reserve Banks

WASHINGTON, Oct. 26.—Discontinued bills secured by government war obligations held by the Federal Reserve banks declined \$179,000,000 under last week's record, and the ratio of reserves to net deposits and note liabilities dropped 1.5 per cent, according to the Federal Reserve Board's weekly financial statement. Conditions of the twelve banks at the close of business last night were shown as follows:

RESOURCES		Oct. 11.	Oct. 18.
Gold in vault and in transit.....		\$376,679,000	\$382,160,000
Gold settlement fund (F. R. Board).....		415,676,000	416,413,000
Gold with foreign agencies.....		5,829,000	5,829,000
Total gold held by banks.....		\$798,184,000	\$804,402,000
Gold with Federal Reserve agents.....		1,184,998,000	1,173,521,000
Gold redemption fund.....		61,950,000	57,390,000
Total gold reserves.....		\$2,045,132,000	\$2,035,313,000
Legal tender notes, silver, etc.....		53,037,000	52,372,000
Total reserves.....		\$2,098,169,000	\$2,087,685,000
Bills discounted: Secured by U. S. war obligations.....		1,092,417,000	1,262,757,000
All other.....		453,747,000	425,799,000
Bills bought in open market.....		398,623,000	370,136,000
Total bills on hand.....		\$1,944,787,000	\$2,058,692,000
United States government long term securities.....		28,251,000	28,205,000
United States government short term securities.....		322,060,000	67,738,000
All other earning assets.....		24,000	197,000
Total earning assets.....		\$2,295,122,000	\$2,154,832,000
Unallocated items.....		856,923,000	803,517,000
Five per cent redemption fund against Federal Reserve Bank notes.....		3,692,000	73,425,000
All other resources.....		16,872,000	13,757,000
Total resources.....		\$5,270,785,000	\$5,063,216,000
LIABILITIES			
Capital paid in.....		79,190,000	79,057,000
Surplus.....		1,134,000	1,134,000
Government deposits.....		78,218,000	179,863,000
Due to member banks—Reserve account.....		1,683,499,000	1,506,727,000
Collection items.....		702,107,000	585,900,000
Other deposits, including for gov't credits.....		117,001,000	112,634,000
Total gross deposits.....		\$2,580,825,000	\$2,384,319,000
Federal Reserve notes in actual circulation.....		2,507,912,000	2,502,488,000
Net liability.....		58,859,000	55,666,000
All other liabilities.....		42,865,000	40,552,000
Total liabilities.....		\$5,270,785,000	\$5,063,216,000
Ratio of total reserves to net deposit and Federal Reserve note liabilities combined 49.6 per cent. Last week, 51.1.			
Ratio of gold reserves to Federal Reserve notes in actual circulation after setting aside 35 per cent against net deposit liabilities, 59.6 per cent. Last week, 61.3.			

## Federal Reserve Bank of New York

The weekly statement of the Federal Reserve Bank of New York, as of October 26, compared with a week ago, follows:

RESOURCES		October 26.	October 19.
Gold coin and gold certificates.....		\$299,724,376	\$316,504,061
Gold in vaults and settlement fund.....		10,467,665	10,411,115
Gold with U. S. agent and in redemption fund—F. R. notes.....		2,010,961	2,010,962
Gold with foreign agencies.....			
Total gold reserve.....		\$612,203,003	\$628,966,141
Legal tender notes, silver certificates and subsidiary coin.....		43,516,818	43,508,287
Total reserve.....		\$655,719,821	\$672,474,428
Bills discounted and bought: Rediscouunts and advances—Commercial paper.....		105,016,577	97,328,324
Rediscouunts and advances—U. S. obligations.....		475,800,424	516,635,301
Acceptances bought.....		142,156,140	127,039,823
Totals.....		\$722,973,142	\$771,003,454
Investments: United States bonds and notes.....		214,371,750	31,385,000
Totals.....		\$214,371,750	\$31,385,000
Due from foreign banks.....		535,950	
Total resources.....		\$1,593,600,662	\$1,481,211,113
LIABILITIES			
Capital.....		\$20,220,250	\$20,217,250
Member banks' deposits (net).....		702,157,340	570,135,938
Non-member banks' deposits (net).....		1,268,816	7,623,106
Government deposits.....		2,523,252	29,627,271
Due to other Federal Reserve banks (net).....		1,880,780	
Due to War Finance Corporation.....		8,767,374	3,961,019
Federal Reserve notes (net).....		721,939,055	728,859,029
Federal Reserve Bank notes (net).....		19,158,000	13,364,000
Foreign government accounts.....		95,173,798	95,113,402
Other liabilities.....		7,662,656	6,480,704
Surplus.....		649,364	649,364
Total liabilities.....		\$1,593,600,662	\$1,461,211,113
Federal Reserve notes outstanding.....		813,244,300	806,644,300
Against which there is deposited with Federal Reserve Bank.....			
Gold and lawful money.....		285,627,085	285,627,065
Commercial paper.....		722,973,142	814,910,976

## New York Clearing House Banks

The actual condition of the member banks, shown by the Clearing House yesterday, with the changes from the preceding week, follows:

	Changes.
Loans, discounts, investments.....	\$4,770,335,000 Inc. \$104,436,000
Cash in vaults of Federal Reserve members.....	106,537,000 Inc. 2,123,000
Reserve in Federal Reserve Bank.....	617,098,000 Inc. 97,983,000
Cash in vaults of state banks and trust co's.....	10,212,000 Inc. 95,000
Reserve in depositories.....	8,652,000 Inc. 759,000
Net demand deposits.....	3,796,383,000 Dec. 40,380,000
Circulation.....	148,779,000 Inc. 3,531,000
Excess reserve.....	36,948,000 Inc. 14,000
Aggregate reserve.....	132,777,000 Inc. 104,131,550
Aggregate reserve.....	635,962,000 Inc. 98,837,000

\*United States deposits deducted, \$474,381,000.

whose machinery was already in the field. This tract is about forty miles from the nearest railroad.

During the last month, operations have been in progress on about 10,000 acres on the Fort Peck Reservation in Northeastern Montana. There are many stretches where the ploughs can go two and three miles without a turn. As the land is mostly "dry land" and unsuitable for winter wheat, half of the 10,000 acres is being prepared for a spring crop and the other half will be planted to flax. In the spring of 1919, 7,000 acres adjoining this will be ploughed for sowing to spring wheat early in 1920.

There is declared to be a fair prospect for a total of about 80,000 acres being under cultivation in 1920.

**Argentine Wheat Yield**  
WASHINGTON, Oct. 26.—A decrease in the estimate of acreage planted in wheat in Argentina is noted in a report received to-day by the Department of Commerce from Consul General William H. Robertson at Buenos Ayres.

The wheat acreage, which has just been planted, is estimated at 17,000,000 acres, a decrease of 900,000 acres from last year. The oats acreage in the South American republic is estimated at 3,000,000 acres, a decrease of 220,000 acres. The total planted to linseed, the report said, is estimated at 3,400,000 acres, an increase of 135,000 acres.

## News Digest

### New York

**National City Company Promotions.**—The National City Company yesterday announced the promotion of three district sales managers to be assistant vice-presidents. They are A. A. Custard, of Philadelphia; B. H. White, of Boston; and E. E. Ailes, of Washington. For November the food administration has ordered exports of 170,000,000. These facts were cited as proof of the necessity of radical measures to maintain the large pork production which the food administration has asked.

**The Day After**  
The stolidity with which the market received the action of the money committee on Friday, as it turned out, was significant, for yesterday's exhibition of strength led to the inevitable conclusion that the buying on Friday was better than the selling. No doubt yesterday's advance was abetted by the closing out of commitments that had been made the preceding day in the expectation of lower prices.

## Coffee Costs U. S. \$113,000,000 Yearly

The average American consumes ten pounds of coffee a year. And the coffee habit is growing, according to a compilation of facts about the industry by the National City Bank.

During the last five years America's taste for coffee has cost on the average \$113,000,000 (importers' price). Over the same period, an average of 1,175,000,000 pounds of coffee a year have been brought into this country. The United States government recently took control of coffee imports. Brazil is, of course, the world's chief coffee producer, supplying in fact, nearly three-fourths of the coffee of the world. In the coffee year 1900-01 Brazil produced 11,285,000 bags (of 132 pounds each) of the world production of 15,070,000, or 75 per cent. In the 1917-18 crop, both in Brazil and in the world at large, having been larger than in the preceding year, except in 1900-01, when the world's total was 22,786,000 bags and that of Brazil 20,190,000 bags.

The United States is entirely dependent upon other countries for coffee except the supplies from the islands, Porto Rico, Hawaii and the Philippines. The quantity of coffee sent from Porto Rico to the United States in the fiscal year 1918 was 256,097 pounds, valued at \$39,064, or an average of about 15 cents per pound, against the average price of about 9 cents for that brought from foreign countries. Our own consumption of coffee has been steadily increasing since 1914, when it was 1,000,000 pounds, or about 15 cents per pound; while from the Philippines the quantity imported was extremely small, the only record of coffee imported from these islands in recent years having been in 1916, 1,200 pounds, valued at \$200.

## Packers' Minimum On Hogs Increased Dollar a Hundred

Food Administration Grants Higher Rates as Protection to Raiser

CHICAGO, Oct. 26.—A minimum of prices of hogs for November has been fixed at \$17.50 as the daily average for packers' droves. A minimum of \$16.50 has been fixed for all other hogs except throw-outs, which consist of hogs under 130 pounds, stags, boars, sows and skips.

As packing house products have been selling on a basis of \$16.50 for hogs, the announcement to-day of the new basis for November resulted in a big jump of prices for pork, lard and ribs.

While the new price basis probably will mean an advance in the price to consumers of pork and pork products, such as ham, bacon and lard, it was explained that the peace talk, with its vision of a corn market flooded by low-priced corn from Argentina and South Africa, had reduced the market price of that cereal from 25 to 40 cents a bushel. The consequence of this was a near panic among hog raisers, who saw similar declines in the prices of their market animals and therefore rushed their stock to market.

The Department of Agriculture, it was said, had information that where supplies of hogs had increased about 8 per cent over last year, the past three weeks had seen an increase of 27 per cent in the number of hogs reported to the seven leading livestock markets. Other factors in failure to maintain the October price basis were given as curtailed consumption, due to influenza, and the reduction of the packers' labor supply.

Exports of pork products in October were given as 130,000,000 pounds, as compared with 120,000,000 in October, 1917. For November the food administration has ordered exports of 170,000,000. These facts were cited as proof of the necessity of radical measures to maintain the large pork production which the food administration has asked.

WASHINGTON, Oct. 26.—A minimum price for packers' droves of hogs of 50 hundred pounds was announced to-day by the food administration, after a conference between the livestock sub-board, which includes agricultural advisory board, which includes the food administration and fifty packers. The following undertaking is given by the packers:

"In view of the undertakings on the part of the food administration with regard to the coordinated purchases of pork products it is agreed that the packers participating in these orders will undertake not to purchase hogs for less than the following agreed minimums for the month of November, that is, a daily minimum of \$17.50 per hundred pounds on average of packers' droves, excluding throw-outs, so defined as pigs under 130 pounds, stags, boars, thin sows and skips. Further, that no hogs of any kind shall be bought, except throw-outs, at less than \$16.50 per hundred pounds, the average of packers' droves to be continued as the average of the total sales in the market of all hogs for the last four days. All the above to be based on Chicago."

**Out of a Russian Prison**  
Many of the Commerce Bureau's foreign representatives have been obliged to carry on their work under trying and often dangerous conditions during the last four years, but the experience of Roger E. Simmons, lumber trade commissioner assigned to Russian territory before our entrance into the war, have probably been unique. Shortly after escaping from prison, where he had been placed under sentence of death, he wrote the bureau the following brief account of the progress of his investigation while in prison:

"While